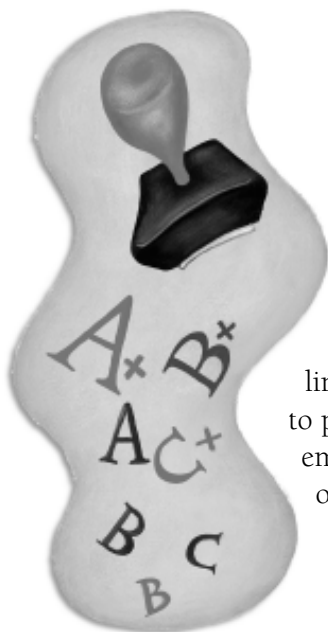


retired Educator

WINTER 2003

SEMIANNUAL NEWSLETTER FOR CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM BENEFIT RECIPIENTS



Post-Retirement Earnings Limit Set

ON JANUARY 1, THE POST-RETIREMENT EARNINGS LIMIT FOR FISCAL YEAR 2002-2003 WAS RAISED TO \$24,934.

The earnings limit is applied to public school employment only; there is no earnings limit for employment outside public

schools. Keep in mind, however, that extra service such as teaching summer school and intersession started counting toward the limit in July 2002.

This change is the result of new legislation. SB 1983 by Senator Soto, signed into law in September 2000, changed the basis for calculating the post-retirement earnings limit from the All Urban California Consumer Price Index to the increase in the average earnable salary of active members. With teacher salaries increasing more quickly than the CCPI, the effect will likely be higher post-retirement earnings caps in the future.

If you go over the limit in any fiscal year, your retirement benefit will be reduced dollar for dollar by the excess amount.

There are several exemptions to the limit. These exemptions have various sunset dates, so be sure to check the exemptions each year. You may be exempt if you:

- ▲ retired on or before January 1, 2000, and teach in grades K-12 or participate in certain teacher preparation programs
- ▲ retired on or before July 1, 2000, and provide direct remedial instruction to students in grades 2-12
- ▲ return to CalSTRS-covered employment after a break in service of 12 or more consecutive months
- ▲ fill an administrative position for up to one-half of the full-time equivalent that is vacant because of an unanticipated emergency situation

Teachers Health Study Yields Findings

WITH HELP FROM CALSTRS, NEARLY 133,500 FEMALE TEACHERS FROM CALIFORNIA have been participating in the ongoing California Teachers Study. The study, organized by a consortium of scientists from the California State Department of Health Services and universities throughout California, seeks to enhance understanding of breast cancer causes and prevention.

In this phase of the study, the research team confirmed:

- ☞ Teachers have higher than expected rates of breast, endometrial and ovarian cancers, melanoma, lymphoma and leukemia and, to an extent, thyroid cancers.
- ☞ Teachers have low rates of cancers of the lung and cervix, and they have about the same rates of colon cancer as other California women.



CEO Notes

BY JACK EHNES, CHIEF EXECUTIVE OFFICER

Who do you trust?

CALSTRS MOVES FORWARD IN THE AFTERMATH OF CORPORATE SCANDALS AND FINANCIAL MARKET SETBACKS

Who can you trust? Not an easy question to answer these days. Lately our newspapers are filled with stories of corporate misdeeds.

The impact of recent news is of course not just interesting Sunday reading. Our financial markets have been shaken to their core, and we are faced with an aftermath that has affected the financial resources of millions of Americans. Just as serious, recent events have raised fundamental questions about trust in corporate America.

Impacts of Recent Market Downturn

It's not news to you that a market downturn means that your personal investments, such as IRAs, 401(k)s or 403(b)s, have lost value. This is truly an unfortunate setback to everyone's overall retirement income. Most affected are private sector employees who have **defined**

contribution retirement plans because these types of plans depend on the amounts held in each individual's account. These pension plan benefits are market sensitive and can rise or fall with economic cycles.

Your Benefit is Not Affected

Remember that your retirement plan is different from these defined contribution plans. CalSTRS provides a **defined benefit** program, which provides lifetime benefits guaranteed by law and is never affected by economic cycles.

Benefit Enhancements are Unlikely

That said—a stock market decline does affect CalSTRS. When pension funds develop assets that exceed their liabilities, benefit enhancements often follow. With pension plans throughout the country now facing reduced assets, it is unlikely that benefit enhancements can be added for some time unless more money is contributed to CalSTRS.

CalSTRS Is Involved in Market Reforms

CalSTRS is doing its part to help the market strengthen again. One

reason for the most recent stock market decline is lack of investor confidence because of scandals and bankruptcies of major companies. In fact, several of those incidences have affected the portfolio. CalSTRS' losses in Enron totaled about \$47.5 million and losses in WorldCom about \$263 million. While that's a small part of the \$94 billion portfolio, CalSTRS is aggressively pursuing financial market reforms and actively supporting passage of federal legislation to ensure corporate accountability.

Trust and integrity must be rebuilt in the marketplace before the stock market can fully recover. We have an active voice in Washington to advocate our financial interests in these corporate accounting reform debates. We also unfortunately recognize that there are times that we must litigate to pursue recovery of the system's funds. In one such high profile case, the courts have named CalSTRS as lead plaintiff in the class action lawsuit against Homestore.Com, a California-based company. Recently, the Justice Department secured guilty pleas from three key Homestore execu-

continued on page 3

tives for their roles in a scheme to fraudulently inflate the earnings of the company.

The CalSTRS Mission


Amidst this discussion of trust, I want to take a moment to discuss CalSTRS’ mission. You might think our mission is obvious—it’s to pay benefits. That certainly is one of our core responsibilities, but we see our relationship to you in much broader terms. The Teachers’ Retirement Board has developed the following mission statement:

*Securing the financial future
and sustaining the trust of
California’s educators.*

To us at CalSTRS, this is a very powerful statement. We see our responsibility in fulfilling this as advocating, developing, delivering and communicating a variety of financial products and services to provide a strong foundation for your retirement. We will look to you for guidance as to how we can continuously improve our service and offer new services that meet your needs in these changing times. We recognize that some of our members prefer face-to-face or telephone communications while others would prefer self-service through our Web site. Our mission statement says that no matter the delivery system, you come first, not what is easier for us.

We also know that we have no other motives than to serve you. Our products are designed simply and solely for your retirement benefit with no hidden charges. This means that we must protect your retirement assets with the utmost care and diligence. But trust must be earned, not just talked about. I pledge to you that all of us at CalSTRS will make this mission part of our daily responsibility in serving you.

We will be communicating this mission loudly throughout CalSTRS, to our membership and our business partners. In these days of financial insecurity and misdeeds, we must sustain your trust that CalSTRS will always serve your interests.


Jack Ehnes

WHO DO YOU TRUST?

A recent USA Today/CNN/Gallup Poll (July 2002) asked, “Which groups do you trust?”

The answers should be of no surprise to you. Teachers were rated very highly with an 84 percent rating. The bottom? Corporate CEOs and HMO execs (23 percent and 20 percent respectively). Here’s the breakdown:

More than 500 adults were asked which groups they trusted

Teachers	84%	Catholic priests	45%
People who run small businesses	75%	Rich people	43%
Military officers	73%	Journalists	38%
Police officers	71%	Government officials	26%
Coaches of youth sports	68%	Lawyers	25%
Protestant ministers	66%	Stockbrokers	23%
Doctors	66%	CEOs of large corporations	23%
Accountants	51%	Managers of HMOs	20%
Professional athletes	48%		

Source USA TODAY/CNN/Gallup Poll, July 5-8, 2002

New CalSTRS Web Site Makes Its Debut

Click on www.calstrs.ca.gov to see the changes

Stop by to see the new and improved CalSTRS Web site. You'll see some dramatic changes as the site takes a leap forward in graphic presentation, navigational ease and readability. Use the drop-down menu to access each section more quickly. And don't forget to visit the site from time to time to look for future improvements!

Here's the path for information of interest to retired CalSTRS members and benefit recipients.

The screenshot shows the CalSTRS website interface. At the top is a banner with the text "California State Teachers' Retirement System" and "Securing the financial future and sustaining the trust of California's educators". Below the banner are links for "Contact CalSTRS" and a "search" button. A central navigation menu lists: "About CalSTRS", "Members" (with sub-links for Employers, Financial Education), "Forms & Publications" (with sub-links for Legislation, Investments, Newsroom), "FAQs", "Contract Opportunities", "Related Sites", and "Site Map". To the left of the menu, a diagram shows four boxes: "DEFINED BENEFIT PROGRAM", "HOME LOAN PROGRAM", "MEDICARE PREMIUM PAYMENT PROGRAM", and "TELETALK". Arrows point from these boxes to the "DEFINED BENEFIT PROGRAM", "HOME LOAN PROGRAM", and "MEDICARE PREMIUM PAYMENT PROGRAM" sections of the navigation menu. The "DEFINED BENEFIT PROGRAM" box lists: Retirement Benefits, Disability Benefits, Survivor Benefits, Working After Retirement, Reading Your 1099R, and Glossary. The "HOME LOAN PROGRAM" box lists: Program Summary, Approved Lenders, and Interest Rates. The "MEDICARE PREMIUM PAYMENT PROGRAM" box lists: Program Information, Program Forms, and Related Sites. The "TELETALK" box is empty. The main content area features a large photo of a teacher and student, a "Calculators" link with a calculator icon, a "Home Loan Program Interest Rates" link with a house icon, a "Forms Online Form Request" link with a form icon, and a "CalSTRS Fast Facts" section showing "Active & Inactive Members: 538,367" and "Benefit Recipients: 177,069" (as of 6/30/02). Below this is a "What's New" section with links to "Public Notice for RFP 2P200207: Credit Enhancement Program - Service Agent (12/24/02)", "Public Notice for IFB B200201: Audit of Financial Statements (12/18/02)", "News Release: CalSTRS Sues Qwest, its Officers and Directors and Financial Services Companies - Alleged Securities Fraud Cost California Teachers' Fund \$150 million (12/11/02)", "CalSTRS Qwest complaint (12/11/02)", "Help Understanding Your CalSTRS Annual Statement (12/04/02)", and "Redeposit Calculator Message (11/27/02)". A "more.." link is at the bottom of the news section. The footer contains the text "Thank you for visiting CalSTRS Online. Click here for Principles, Disclaimers & Copyright Notice - 1997-2003 CalSTRS".

California State Teachers' Retirement System
"Securing the financial future and sustaining the trust of California's educators"
P.O. Box 15275, Sacramento, CA 95851-0275 (800) 228-5453

[Contact CalSTRS](#)

DEFINED BENEFIT PROGRAM

- Retirement Benefits
- Disability Benefits
- Survivor Benefits
- Working After Retirement
- Reading Your 1099R
- Glossary

HOME LOAN PROGRAM

- Program Summary
- Approved Lenders
- Interest Rates

MEDICARE PREMIUM PAYMENT PROGRAM

- Program Information
- Program Forms
- Related Sites

TELETALK

About CalSTRS

- Members
 - Employers
 - Financial Education
- Forms & Publications**
 - Legislation
 - Investments
 - Newsroom
- FAQs
- Contract Opportunities
- Related Sites
- Site Map

Calculators

Home Loan Program Interest Rates

Forms Online Form Request

CalSTRS Fast Facts
(as of 6/30/02)

Active & Inactive Members: 538,367
Benefit Recipients: 177,069

What's New

[Public Notice for RFP 2P200207: Credit Enhancement Program - Service Agent \(12/24/02\)](#)

[Public Notice for IFB B200201: Audit of Financial Statements \(12/18/02\)](#)

[News Release: CalSTRS Sues Qwest, its Officers and Directors and Financial Services Companies - Alleged Securities Fraud Cost California Teachers' Fund \\$150 million \(12/11/02\)](#)

[CalSTRS Qwest complaint \(12/11/02\)](#)

[Help Understanding Your CalSTRS Annual Statement \(12/04/02\)](#)

[Redeposit Calculator Message \(11/27/02\)](#)

[more..](#)

Thank you for visiting CalSTRS Online.
[Click here for Principles, Disclaimers & Copyright Notice - 1997-2003 CalSTRS](#)

Need a CalSTRS form?

You can now order forms by e-mail. Click on the Forms & Publications link on the Web site, then select the forms ordering button. Type in your name, shipping address and the number of forms you need. Ordering by phone is easy, too. Call 800-228-5453 and select option 3.

New Law Allows Change to Option 6 and 7 Option Beneficiary

WHEN YOU RETIRED, DID YOU SELECT OPTIONS 6 OR 7? If so, there is a new law that started January 1 you should know about.

Now under Options 6 and 7 if your option beneficiary dies before you do, you can name a new option beneficiary. This new law makes Option 6 and 7 consistent with Options 2 through 5.

The option beneficiary change will take place six months after your request is received by CalSTRS. At the end of the six-month waiting period, your monthly allowance will be reduced to reflect your current age and the age of your new option beneficiary. If either you or your new option beneficiary dies during the six-month waiting period, the request will not take effect.

Previously, under Options 6 and 7, if your option beneficiary died before you, your allowance was increased to the unmodified level, but you were not allowed to name another option beneficiary. The new law did not change the fact that you outlive your option beneficiary, your allowance will still increase to the unmodified level.

To request a new option beneficiary, you should fill out the *Change of Option Beneficiary After Retirement Due to Death* form. Call CalSTRS at 800-228-5453 and select option 3 to have the form mailed to you.

When Can You Change Your Option Beneficiary?

Once you retire, you can only change your option beneficiary under the following four circumstances:

- if your option beneficiary dies
- if you and your option beneficiary divorce
- if your option beneficiary is not your spouse, and you would like it to be

- if you get married after your retirement and had previously chosen an unmodified allowance

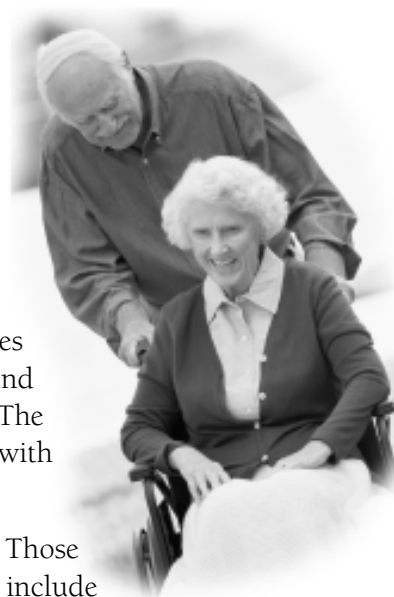
For more information about changing your option beneficiary, listen to Teletalk messages 369, 370 and 378 by calling 800-228-5453 and choosing option 3. You can also read Teletalk messages online. You can find them on FAQ section of the CalSTRS Web site—www.calstrs.ca.gov.

Long-Term Care Enrollment Opens in Spring

NO ONE LIKES TO THINK ABOUT NEEDING LONG-TIME CARE. But if you ever do, you want to be able to afford it. Catastrophic accidents, disabilities, and age-related illnesses can happen, and conventional health plans and Medicare typically do not provide coverage. The CalPERS Long-Term Care Program can help with the costs.

Eligibility isn't limited to CalPERS members. Those eligible for CalPERS long-term care coverage include all California public employees, teachers, administrators, school employees, retired teachers, substitute teachers, and part-time and seasonal employees. Spouses, parents and parents-in-law along with siblings age 18 years and older can also apply.

The 2003 open enrollment period starts April 1, 2003, and ends June 30, 2003. For more information and to request an application kit, phone 800-266-1050 or use the CalPERS Web site at www.calpers.ca.gov/longtermcare.



Changes Occur to Teachers' Retirement Board



Marty Mathiesen Leaves Board

Marty Mathiesen left the Teachers' Retirement Board this November.

Appointed by former Governor Pete Wilson in 1999 and reappointed by Governor Gray Davis in 2001, Marty represented CalSTRS retired members. A former teacher, coach and administrator at Cupertino High School until his retirement in 1973, Marty sat on the board during the time when many important benefit enhancements were enacted including the purchasing power protection for those retired members most affected by inflation.

"Marty is a true friend and advocate for CalSTRS members and retired members," said Gary Lynes, board chairperson. "His dedicated efforts on behalf of CalSTRS members were greatly appreciated and will be sorely missed."

Board Member George Fenimore's Term Ends



George Fenimore also left the board when his term ended in October. Appointed by Governor Pete Wilson in 1993 to represent the general public and reappointed in 1998 by Governor Wilson, George is a past commissioner with the Fair Political Practices Commission and a board director for the John Douglas French Alzheimer's Foundation. He has

been recognized by the YMCA, the Chamber of Commerce and the city of Beverly Hills for his many community service accomplishments.

"Those of us on the board will miss George's extensive knowledge, outstanding leadership and steady guidance," said chairperson Gary Lynes.

Two New Ex-Officio Members Join Board



Steve Westly



Jack O'Connell



Kathleen Connell



Delaine Easton

In January 2003, two new ex-officio members joined the board. Newly elected State Controller Steve Westly and State Superintendent of Public Instruction Jack O'Connell will serve on the board by virtue of their office. Term limits meant neither incumbent could run again; therefore, former State Controller Kathleen Connell and former Superintendent of Public Schools Delaine Easton left the board in early January.

POST-RETIREMENT CONT. FROM PAGE 1

Please note the Education Code prohibits employment in a classified position if you are retired for service. The only exception is employment as a teacher's aid in certain circumstances.

Disability Earnings Limit Is Unchanged

Those receiving disability retirement allowances have a different earnings limit, and the basis for calculating it has not changed. A CalSTRS disability retirement allowance is reduced dollar-for-dollar by the total amount of earnings from all employment in excess of the limit. The 2002 calendar year limit is \$21,000. The 2003 earnings limit will be slightly higher and will be announced in February.



Extra! Extra!

Calling CalSTRS? Avoid the Rush

Need to call CalSTRS? Try to avoid peak times.

The busiest times for callers are on Monday mornings, the first of the month and the day after a holiday. Peak time during the day is from 10 a.m. to 2 p.m. It may be easier to avoid those busy times. And remember, you can call 24 hours a day to order forms and listen to Teletalk messages.

The Public Service office is open from 8 a.m. to 5 p.m., Monday through Friday, except on holidays. Call 800-228-5453.

2003 Pay Dates to Keep All Year



THE FIRST PAYDAY FOR 2003 IS JUST AROUND THE CORNER. Here are the CalSTRS pay dates for the upcoming year. These are the dates that your benefit check should be received in the mail or be available electronically at your bank.

What To Do If Your Check Is Late

If your check is mailed to you and you have not received it by the 5th of the month, please call CalSTRS. In the event the electronic payment does not reach your bank, please verify with the bank that your payment has not been received before you contact CalSTRS. Normally, CalSTRS is notified by the bank in advance if a direct deposit is rejected. In those cases, CalSTRS mails a paper check to your address on file shortly after payday.

How to Elect Direct Deposit

If you'd like to have your check electronically deposited in your bank account, please fill out the *Direct Deposit*

Authorization form available by calling CalSTRS (choose option 3) or downloading it from the CalSTRS Web site.

Give Direct Deposit a Try

Currently, more than 90 percent of CalSTRS retirees enjoy the benefits of direct deposit. It's the safest, quickest and most reliable way to get your money into your account each month. With direct deposit, there's no chance your check will be lost in the mail, stolen or forged. Most importantly, although this rarely happens, if your monthly payment fails to transfer, CalSTRS can replace your payment in a fraction of the time it takes to replace a paper check.

CLIP AND SAVE 

CalSTRS Pay Dates

C A L S T R S P A Y D A T E S

January 31, 2003	May 30, 2003	October 1, 2003
February 28, 2003	July 1, 2003	October 31, 2003
April 1, 2003	August 1, 2003	December 1, 2003
May 1, 2003	August 29, 2003	January 2, 2004 (counts as income for 2004 tax year)



New Ombudsman Helps Resolve Member Problems

IN FEBRUARY 2002 TOM BARRETT BECAME CALSTRS' NEW OMBUDSMAN. Tom replaces Pete Hough, who retired after seven years as Ombudsman.

Tom's job is to serve as an advocate for CalSTRS members. If you believe you have not received adequate service from CalSTRS or if you've received an answer to a question or a decision on a request that you disagree with, Tom can ask staff to take another look at the situation to make sure it's correct.

"I should not be the first person a member talks to at CalSTRS, but I strive to be the last—the person who fixes a problem that for whatever reason hasn't been resolved," Tom says. "CalSTRS is a large pension fund, and it isn't always easy to navigate our system. My job is busy and sometimes difficult, but it's important that people get the service they should."

Tom advocates on behalf of members and constituent groups to make sure the policies at CalSTRS are equitable, with an eye toward improving member benefits. He also works with employers and is available to make presentations and work with groups to provide information on CalSTRS benefits and services.

Tom's workload isn't likely to ease any time soon given the increasing number of retirements from baby boomers (with more to come) and new legislation that allows members more opportunities to buy service credit. Mostly he hears from members who are ready to retire and recently retired members who need adjustments to their account. As busy as he is, Tom makes it look easy.

He notes that the recent improvements in response time for member calls to the CalSTRS Public Service Office have helped members get through on the phones more quickly and says, "Customer service

at CalSTRS has improved, but we have further to go. As the organization improves, I expect the focus of my job to become more proactive."

Tom is very knowledgeable about CalSTRS retirement law, policies and practices. An analyst in the Client Outreach Program since 1998, Tom also has strong experience in customer service. He was a

personal banking officer with Wells Fargo Bank when the bank was noted for developing strong customer service and a staff person for the California state assembly where he offered constituent services to help the public in their dealings with state agencies. A Sacramento native and avid Kings fan, Tom and his wife Kelly just celebrated their 25th wedding anniversary. They have three children, Matthew, Erin and Brian.

"I should not be the first person a member talks to at CalSTRS, but I strive to be the last—the person who fixes a problem that for whatever reason hasn't been resolved."

The Ombudsman Office also includes Rhonda Carrol who helps Tom resolve problem cases and talks to members. Rhonda has been a Pension Program Representative in the Ombudsman Office since May.

If you have a problem that hasn't been resolved through the normal CalSTRS channels, contact Tom through his e-mail link at www.calstrs.ca.gov or by phoning 916-229-3830.

1099Rs to be Mailed in January

Be on the lookout for your 1099R, which will be mailed in January. You'll need this form to fill out your 2002 tax returns. The form will be mailed to the address that CalSTRS had on file for you in December 2002.

Order Replacements by Phone or E-mail

If you haven't received your 1099R by early February, or you need a replacement, call the 24-hour automated phone line at 800-228-5453 and choose option 3 to leave a message to have a replacement mailed to you. You can also order a replacement using the *Contact CalSTRS* link from the Web site. Please allow 10-15 days to receive the form.

Changing Your Withholding

After you complete your 2002 tax returns, you may find that you want to change the federal or state withholding amounts deducted from your monthly benefit payment. To do so, complete a CalSTRS tax withholding form and return it by mail or fax to CalSTRS. You can get the form on the Web site, www.calstrs.ca.gov, or order it by telephone. Fax forms to 916-229-3209.

For Tax Information

If you have questions about your federal taxes or tax laws, you can contact the IRS at 800-829-1040 or by logging on to their Web site at www.irs.gov.

For state tax information, contact the California State Franchise Tax Board at 800-852-5711 or at www.ftb.ca.gov.

BOX 1—This is your gross amount paid before deductions.

BOX 2a—This is the amount subject to income taxes.

BOX 2b—Checked when taxable amount couldn't be determined. (If this box is checked, you may want to talk to your tax advisor to determine the taxable portion of the distribution.)

BOX 7—Distribution code
(Refer to the back of the form for a list of distribution codes.)

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution		OMB NO 1545-0118	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
2a Taxable amount		2b Taxable amount not determined		2002	
PAYER'S Federal identification number	RECIPIENT'S identification number	3 Amount in Box 2a eligible for capital gain election	4 Federal income tax withheld	Copy C For Recipient's Records	
RECIPIENT'S name, address, and ZIP code		5 Employee contributions or insurance premiums	6 Net unrealized appreciation in employer's securities	This information is being furnished to the Internal Revenue Service.	
		7 Distribution code	8 Other		
		9a Your percentage of total distribution	9b Total Employee contributions		
Account number (optional)		10 State income tax withheld	11 State/Payer's state number	Keep this copy for your records.	
		Insurance	COD		

Form 1099-R (Replaces Form W-2P)

Department of the Treasury—Internal Revenue Service

HEALTH STUDY CONT. FROM PAGE 1

Here are highlights from the findings:

- Teachers had a 51 percent higher rate of breast cancer than comparable California women.
- Teachers seem to have a greater risk for cancer of the endometrium (the lining of the uterus) and ovaries. Although teachers had higher rates of these cancers, both diseases are still relatively rare.
- The researchers believe that the causes of these cancers among teachers are probably the same as in women in general. Teachers may have a higher risk of these cancers because of their unique behaviors. Women who delay having their first child—until they complete their college education or start a career, as many teachers do—and those with fewer children are at increased risk. Teachers also use hormone replacement therapy for menopause more often than other California women. This therapy may be linked to the higher than expected breast cancer rates.
- Lymphoma, melanoma and leukemia also seem to be more common among teachers in the study than other California women, though the diseases still remain extremely rare. Most lymphoma cases were non-Hodgkin's lymphoma. Teachers had more than a 50 percent higher rate of this cancer than comparable California women.

Despite some known risk factors for non-Hodgkin's lymphoma, most people with this cancer do not have any of these risk factors and causes of their cancer are unknown. Known risk factors for leukemia include smoking and environmental exposure such as carcinogenic chemicals or radiation, while one common lifestyle factor behind melanoma is exposure to excessive sun without protective clothing or sunscreen.

IF YOU WOULD LIKE MORE
INFORMATION ON CANCER, A
GOOD PLACE TO START IS THE
NATIONAL CANCER INFORMATION
LINE AT 800-4-CANCER OR
WWW.CANCER.GOV.

The Good News

- The teachers in the study have lower rates of lung cancer and cervical cancer. That might be because teachers smoke much less than their California peers, and they tend to get regular Pap tests, which can catch abnormal cells in the cervix before they turn into cervical cancer.
- Teachers in the study seem to have adopted some of the good health habits that lead to lower risk of some cancers, including breast cancer. Nearly seven of every 10 do at least an hour of exercise regularly—and 27 percent exercise at least four

hours a week. And teachers stay trimmer and maintain a healthier weight than other California women.

- Access to health care means more teachers have heard the message about the importance of regular mammograms and put it into practice. More than nine out of 10 teachers reported having at least one screening mammogram, and most of those aged 50 and over had a mammogram in the past year.
- Many of the diagnosed breast cancers were very small malignancies, called *in-situ* cancers. And a significant number of the invasive breast tumors were localized, meaning that they had not spread to other parts of the body. Mammograms help catch these breast cancers at an early stage, when cancer has the greatest chance for cure.

The research team published results in a medical journal this September. Not only is this the first step in an important journey to uncover more facts about the causes of cancer, but also the publication allows access to these data by researchers across the world.

As the California Teachers Study continues, researchers will gain a better understanding of the role of diet, hormones, family history, tobacco and other factors on cancers—for teachers and non-teachers alike.

Eligible for Medicare?

Here's News for You

Part B Premium Has Increased

For those of you enrolled in Medicare, you probably already noticed that the federal government increased Medicare Part B medical premiums by 8.7 percent this year. This means monthly premiums increased from \$54 to \$58.70 starting January 1, 2003. If you are paying surcharges, those were also increased by 8.7 percent.

It's Open Enrollment Time

If you are age 65 or more and haven't already enrolled in Medicare, you are encouraged to do so and to enroll CalSTRS' Medicare Premium Payment Program. The MPP Program pays for the Medicare Part A (hospital) premium for eligible retired Defined Benefit Program members who do not receive coverage premium free. For CalSTRS to pay the Medicare Part A premium, you must also be enrolled in Medicare Part B (doctor visits). The Medicare general open enrollment period runs from January 1 to March 31.

To enroll in Medicare Parts A and B, call Social Security at 800-772-1213 (TTY 800-325-0778) and at the main menu, select 5, then 0.

To enroll in the CalSTRS MPP Program, order the information packet for full details. Either call CalSTRS at 800-228-5453 (select option 3) or download the packet from the Web site at www.calstrs.ca.gov.

Latest Elk Hills Payment Made to CalSTRS

Funding Supports Purchasing Power Protection

As expected, CalSTRS received the fourth installment of the Elk Hills compensation from the federal government in October.

Payments Ensure Inflation Protection

The Elk Hills payments are used to fund the Supplemental Benefit Maintenance Account.

These supplemental payments ensure that retirement benefits for older retired members keep pace with inflation by supplementing the monthly benefit to 80 percent of the

purchasing power of their initial benefit payment. Eligible members (generally, those who retired in 1985 or earlier) receive these payments four times a year.

Payments Are for School Lands

The Elk Hills compensation was established when the federal government sold the Elk Hills Petroleum Reserve in 1997 for \$3.65 billion. Nine percent of the proceeds, or \$320 million, was earmarked for California's retired teachers as compensation for some school lands that were included in the Elk Hills property. The Congress will consider the fifth installment, scheduled to be paid in October 2003, when it returns in early 2003. CalSTRS is slated to receive \$320 million in seven annual installments. So far, four of those payments have been received.

Funds Are Appropriated Yearly

Although federal law in 1999 authorized the Elk Hills payments, Congress must pass legislation each year to appropriate that year's installment and the President must sign this legislation. CalSTRS' representatives will keep track of this process for the next few years to ensure that the appropriations continue.

You should know that the supplemental payments are required by state law and will continue whether or not the federal appropriations are made. In fact, the federal appropriation of \$37 million is only a small part of the funding for supplemental payments: in fiscal year 2001-2002, CalSTRS spent \$257 million for these payments.



P.O. Box 15275
Sacramento, CA 95851-0275

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HOW TO REACH US

Write CalSTRS at:

California State Teachers' Retirement System
P.O. Box 15275
Sacramento CA, 95851-0275

Call CalSTRS Public Service Office:

800-228-5453
916-229-3870
916-229-3541 for TDD

Fax CalSTRS at:

916-229-3879

Browse CalSTRS Web site at:

www.calstrs.ca.gov

*When contacting CalSTRS, be sure to
include your Social Security number.*

CalSTRS Mission Statement

Securing the financial future and sustaining the
trust of California's educators.

State of California

Gray Davis, Governor
Aileen Adams, Secretary, State and Consumer
Services Agency

Teachers' Retirement Board

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